

Tables Indicating the Basis for Revenue Estimates

ESTIMATES OF GENERAL FUND TAX REVENUE: FY 2004 to FY 2010

(in thousands of dollars)

TYPE OF TAX	ACTUAL		ESTIMATED						
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
General Excise & Use 4/	\$1,612,333	\$1,792,699	\$1,865,713	\$1,949,538	\$2,047,110	\$2,148,665	\$2,251,990	\$2,364,068	\$2,481,682
Income - Individual	1,071,239	1,037,706	1,132,657	1,233,142	1,312,050	1,403,795	1,492,021	1,587,282	1,684,810
Income - Corporation	45,477	8,262	26,256	34,960	34,746	72,139	78,219	85,162	91,029
Public Service Company	93,406	114,115	126,870	138,713	149,907	160,744	171,410	182,069	192,851
Insurance Premiums	67,941	73,240	78,509	83,089	86,523	97,025	107,505	116,081	122,244
Tobacco & Licenses 1/	64,469	71,273	88,320	94,469	96,335	98,388	100,602	102,742	104,959
Liquor & Permits	39,091	41,186	42,477	43,822	45,032	46,264	47,506	48,746	50,001
Banks & Other Fin Corps 5/	5,164	20,341	(8,517)	9,784	11,688	13,182	14,292	15,496	16,598
Inheritance & Estate 2/	16,624	15,524	10,490	5,468	-	-	-	-	-
Miscellaneous	5,515	6,231	6,791	7,230	7,520	7,793	8,058	8,317	8,579
Transient Accommodation Tax 3/	27,271	1,466	8,400	10,374	10,942	11,545	12,175	12,826	13,509
NET TOTAL	\$3,048,530	\$3,182,043	\$3,377,966	\$3,610,589	\$3,801,853	\$4,059,540	\$4,283,778	\$4,522,789	\$4,766,262
GROWTH RATE	-3.5%	4.4%	6.2%	6.9%	5.3%	6.8%	5.5%	5.6%	5.4%

Notes:

1/ Act 246, SLH 2002, raises the cigarette tax to 6 cents each on October 1, 2002; to 6.5 cents on July 1, 2003; and to 7 cents on July 1, 2004.

2/ Federal Economic Growth and Tax Relief Act of 2001 phases out the federal estate tax and the state credit.

3/ Deposits of 44.8% of TAT revenues to counties (Act 156, SLH 1998); 32.6% to tourism special fund and 5.3% to TAT trust fund (Act 250, SLH 2002); 17.3% to convention center enterprise fund (Act 253, SLH 2002); all net of general fund deposits of excess

4/ Act 100, SLH 2003, provides a nonrefundable attractions & educational facilities tax credit equal to 100% of certain costs incurred after May 31, 2003, & before June 1, 2009, for the development of such facilities at Ko Olina Resort & Marina & the Makaha Resort. Of the maximum \$7.5 million credit per year, the General Fund loss is estimated at \$4 million.

5/ Transfers \$16.5 million of the franchise tax to the Litigated Claims Fund in FY2004.

INDIVIDUAL INCOME TAX
(In Thousands of Dollars)

	Actual FY 2003	Estimated FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007	Estimated FY 2008	Estimated FY 2009	Estimated FY 2010
Withholding Tax	\$1,046,183	\$1,141,859	\$1,243,215	\$1,322,767	\$1,415,262	\$1,504,209	\$1,600,248	\$1,698,572
Decl. of Estimated Tax	\$64,196	\$70,067	\$76,286	\$81,168	\$86,844	\$92,302	\$98,195	\$104,228
Payment w/Final Return	\$173,245	\$189,088	\$205,873	\$219,046	\$234,363	\$249,093	\$264,996	\$281,279
Amount of Refunds	(\$245,516)	(\$268,002)	(\$291,823)	(\$310,519)	(\$332,256)	(\$353,160)	(\$375,731)	(\$398,839)
Election Campaign Fund	(\$282)	(\$285)	(\$287)	(\$290)	(\$293)	(\$296)	(\$299)	(\$302)
School Repair	(\$119)	(\$120)	(\$122)	(\$123)	(\$124)	(\$125)	(\$127)	(\$128)
NET TOTAL	\$1,037,706	\$1,132,607	\$1,233,142	\$1,312,050	\$1,403,795	\$1,492,021	\$1,587,282	\$1,684,810

Tax rates: 1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6.8% on next \$6,000; 7.2% on next \$4,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

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INDIVIDUAL INCOME TAX
(in Thousands of Dollars)

	Actual FY 2003	11/02 Estimate Amount	As % of Actual	11/01 Estimate Amount	As % of Actual
Withholding Tax	\$1,046,183	\$1,059,248	101.2%	\$1,021,122	97.6%
Decl. of Estimated Tax	\$64,196	\$205,630	320.3%	\$222,135	346.0%
Payment w/Final Return	\$173,245	\$114,465	66.1%	\$104,541	60.3%
Amount of Refunds	(\$245,516)	(\$274,144)	111.7%	(\$244,958)	99.8%
Election Campaign Fund	(\$282)	(\$247)	87.7%	(\$216)	76.7%
School Repair	(\$119)	\$0	0.0%	\$0	0.0%
NET TOTAL	\$1,037,706	\$1,104,952	106.5%	\$1,102,624	106.3%

Tax rates: 1.4% on first \$2,000; 3.2% on next \$2,000; 5.5% on next \$4,000; 6.4% on next \$4,000; 6.8% on next \$4,000; 7.2% on next \$4,000; 7.6% on next \$10,000; 7.9% on next \$10,000; 8.25% over \$40,000.

Head of Household: 1.4% on first \$3,000; 3.2% on next \$3,000; 5.5% on next \$6,000; 6.4% on next \$6,000; 6.8% on next \$6,000; 7.2% on next \$4,000; 7.6% on next \$15,000; 7.9% on next \$15,000; 8.25% over \$60,000.

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CORPORATION INCOME TAX

	Actual FY 2003	Estimated FY 2004	Estimated FY 2005	Estimated FY 2006	Estimated FY 2007	Estimated FY 2008	Estimated FY 2009	Estimated FY 2010
Decl of Estimated Tax	\$55,609	\$45,240	\$60,238	\$59,869	\$99,299	\$107,668	\$117,225	\$125,549
Payment w/Final Return	\$1,544	\$4,906	\$6,532	\$6,492	\$13,479	\$14,615	\$15,912	\$17,042
Amount of Refunds	(\$48,890)	(\$23,890)	(\$31,810)	(\$31,615)	(\$40,639)	(\$44,064)	(\$47,975)	(\$51,381)
NET TOTAL	\$8,262	\$26,256	\$34,960	\$34,746	\$72,139	\$78,219	\$85,162	\$91,209

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000; 6.40% over \$100,000.

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CORPORATION INCOME TAX
(in Thousands of Dollars)

	Actual FY 2003	11/02 Estimate Amount	As % of Actual	11/00 Estimate Amount	As % of Actual
Decl. of Estimated Tax	\$55,609	\$115,152	207.1%	\$106,106	190.8%
Payment w/Final Return	\$1,544	\$14,934	967.4%	\$8,086	523.8%
Amount of Refunds	(\$48,890)	(\$73,921)	151.2%	(\$44,045)	90.1%
NET TOTAL	\$8,262	\$56,165	679.8%	\$70,148	849.0%

Tax Rates: 4.40% of taxable income up to \$25,000; 5.40% on next \$75,000;
6.40% over \$100,000.

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LEGAL REFERENCE AND EFFECTIVE DATE OF LATEST REVISION FOR STATE GENERAL FUND TAX REVENUES		
Type of Tax	Legal Reference HRS	Latest Revision Date
General Excise	Chapter 237	06/04/03
Use	Chapter 238	01/01/03
General Excise Lic. & Fees	Chapter 237	07/03/96
Banks & other Financial Corp.	Chapter 241	06/01/97
Income - Corporation	Chapter 235	07/01/03
Income - Individual	Chapter 235	07/01/03
Inheritance & Estate	Chapter 236	07/01/83
Insurance Premiums	Chapter 431	01/01/99
Liquor & Permits	Chapter 244D	07/01/01
Tobacco & Licenses	Chapter 245	07/01/03
Public Service Company	Chapter 239	10/01/01
Conveyance	Chapter 247	07/06/99
Fuel - Retail Permits	Chapter 243	01/01/02
R. P. Appeal Deposits	Chapter 232	04/11/89
Transient Accommodations	Chapter 237D	05/30/03
Vehicle Surcharge	Chapter 251	10/01/01

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10/29/2003